

Using School Improvement Grant Funds to Increase Access to High-Quality Public Schools

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Introduction

Since 2007, the nation's lowest achieving schools have received an unprecedented amount of federal funds through the School Improvement Grant (SIG) program, which provides formula grants to states for interventions aimed at improving these schools. SIG has received more than \$5.8 billion since it was first funded and has reached approximately 2,000 schools (Fiscal Year (FY) 2014 funding for SIG is \$506 million, and the same amount is expected in FY 2015). Despite this massive investment, the implementation of federally prescribed school improvement models has resulted in minimal improvements in student achievement at persistently low-achieving schools.¹

In January 2014, Congress took action to broaden the use of SIG funds to offer states greater flexibility to direct the funds to interventions they deem most effective.² As the U.S. Department of Education considers guidelines to implement this expanded authority, the National Alliance recommends that federal requirements for the use of SIG funds enable more students to access high-quality schools by encouraging states and school districts to design improvement models that include opening new public charter schools and expanding existing high-quality public charter schools. Providing states and school districts with the flexibility to design their own improvement models—inclusive of opening new public charter schools and expanding existing high-quality public charter schools—has the potential to accelerate achievement gains using proven, replicable models.

¹ U.S. Department of Education (February 2014). "School Improvement Grant National Assessment Results: Summary, Cohorts 1 and 2". Retrieved August 30, 2014 from <http://www2.ed.gov/programs/sif/assessment-results-cohort-1-2-sig-schools.pdf>.

² P.L. No. 113-76 (2014).



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Current SIG Regulations

As part of Title I of the Elementary and Secondary Education Act (ESEA), the SIG program provides formula grants to state educational agencies (SEAs) to fund local educational agency (LEA) interventions to turn around low-achieving schools identified under Title I accountability systems, or, more recently, by the individual states' "ESEA Flexibility" waivers.

In response to \$3.5 billion allocated to the program in 2009, including funds from the American Recovery and Reinvestment Act of 2009, the U.S. Department of Education issued regulations that require SEAs and LEAs to use their SIG funds to implement one of four school intervention models in schools identified by states as persistently low-achieving (see Table 1). According to those regulations, LEAs may apply to their SEAs for up to \$2 million annually over three years to implement the turnaround, restart, or transformation

Table 1: SIG Turnaround Models

SIG Model	Interventions
Turnaround	Replace the principal, rehire no more than 50 percent of the staff, and grant the principal sufficient operational flexibility (in staffing, calendars and time, budgeting, and other areas) to fully implement a comprehensive approach to substantially improving student outcomes.
Transformation	Implement each of the following strategies: (1) replace the principal and take steps to increase teacher and school leader effectiveness, (2) institute comprehensive instructional reforms, (3) increase learning time and create community-oriented schools, and (4) provide operational flexibility and sustained support.
Restart	Convert a school, or close and reopen it, under a public charter school operator, a charter management organization (CMO), or an education management organization (EMO) that has been selected through a rigorous review process.
School closure	Close a school, and enroll the students who attended that school in other, higher-achieving schools in the LEA. SIG funds can be used for activities such as community engagement, redesigning transportation routes and providing families with transition services.



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models in a school; school closure generally requires only modest SIG funding (\$50,000 to \$100,000), to cover costs such as community outreach, and is implemented in just one year. About 15,000 schools have been identified as persistently low-achieving and eligible for SIG.

The Need for Change in Federal Turnaround Investment

Despite a significant infusion of federal dollars, there is little evidence to suggest that schools receiving SIG funds are actually improving. Offering states new flexibility to proactively engage the public charter school community in the use of SIG funds has the potential to enable more students to access seats in high-quality schools more quickly.

[The most recent U.S. Department of Education analysis of SIG results](#) show that the majority of SIG schools are making little progress in raising achievement, particularly in reading. One-third of the schools are actually declining in performance. The transformation model, which is by far the most popular, also appears to be the weakest.³ Moreover, where SIG data do show some evidence of proficiency gains, there is no way to know whether SIG increased those gains. Since the data do not compare results to SIG-eligible schools that did not receive funds, there is no way to tell whether any positive results are due to the turnaround intervention.

In contrast, there *are* data demonstrating achievement gains in public charter schools that serve some of the nation's most disadvantaged students. Stanford's Center for Research on Education Outcomes found in its *Charter School Growth and Replication* study that "[Charter Management Organizations] post superior results with historically disadvantaged student subgroups. They produce stronger academic gains for students of color and students in poverty than those students would have realized either in traditional public schools or, in many categories, what [students] would have learned in independent charter schools."⁴

The Department of Education's SIG regulations have created some opportunities for public charter schools because the restart model calls for

³ *Ibid.*

⁴ Center for Research on Education Outcomes (CREDO), *National Charter School Study 2013*, Stanford University, <http://credo.stanford.edu/documents/NCSS%202013%20Final%20Draft.pdf>.



Charter Policy Snapshot

low-performing schools to be converted to, or closed and reopened under a public charter school operator, a CMO, or an EMO that is selected by an LEA through a rigorous review process.⁵ The restart model, however, is rarely used by LEAs. Since 2010, only 79 schools in 16 states have chosen to implement the restart model—less than five percent of all SIG awards.

Table 2: States That Have Used the Restart Model Since 2010

State	SY10–11	SY11–12	SY12–13	SY13–14	Total
1. AK	1	0	0	0	1
2. CA	5	0	5	0	10
3. CO	2	0	0	0	2
4. CT	1	1	0	0	2
5. DC	3	1	0	0	4
6. IL	1	0	0	0	1
7. LA	0	2	2	5	9
8. MA	0	2	1	2	5
9. MD	5	0	0	0	5
10. NC	1	0	0	0	1
11. NY	2	12	0	1	15
12. OH	0	1	0	0	1
13. PA	7	2	1	0	10
14. TN	0	0	3	3	6
15. VA	5	0	0	0	5
16. WI	2	0	0	0	2
Total	35	21	12	11	79

Source: <http://www2.ed.gov/programs/sif/awardedchs.xls>

In addition to data supporting the effectiveness of public charter schools serving disadvantaged students, some states have seen success in their efforts to implement public charter school conversions and to close persistently low-achieving schools and replace them with new or expanded public charter schools. One such example is Louisiana's Recovery School District effort. According to an analysis of Recovery School District students in grades 3–8, New Orleans students receiving priority enrollment in a school of their choice after their own school was closed and students attending public charter school conversions have made academic achievement gains.⁶

⁵ U.S. Department of Education (March 2012). "Guidance on Fiscal Year 2010 School Improvement Grants." Retrieved August 30, 214 from <http://www2.ed.gov/programs/sif/assessment-results-cohort-1-2-sig-schools.pdf>.

⁶ The Louisiana Department of Education and Recovery School District (May 2014). "School Closure and Replacement: The New Orleans Experience." Center on Reinventing Public Education (CRPE) Portfolio Officer Institute.



Charter Policy Snapshot

Under current regulations, however, states can use their SIG funds only to make awards to LEAs to implement one of the four turnaround models. Regulations do not permit states to award funds directly to public charter school operators to open new schools and provide little flexibility to leverage funds to attract high-quality charter school operators and develop district- or city-wide improvement strategies.

SIG regulations, however, will likely change in the coming year. In the FY 2014 Omnibus Appropriations Act, Congress added language intended to give states more flexibility in the use of their SIG funds, effectively requiring the U.S. Department of Education revise current regulations and guidance:

*"... funds available for school improvement grants may be used by a local educational agency to implement an alternative State-determined school improvement strategy that has been established by a State educational agency with the approval of the Secretary ..."*⁷

Given the urgent need to increase the number of high-quality schools in districts across the country, especially those with a high number of persistently low-achieving schools, states can potentially benefit from this new freedom to implement district improvement strategies that encourage the creation of new schools.

Policy Recommendations

The National Alliance's SIG proposal, outlined below, is intended to improve outcomes for students by increasing the rate at which quality school options are made available to students currently attending the nation's lowest-performing schools. With the authority granted in the FY 2014 Omnibus Appropriations Act, the Department of Education should permit states, through revised regulations or guidance, to encourage public charter school restarts and award SIG funds directly to independent public charter schools, CMOs, or EMOs that have a proven track record of success in improving the academic achievement of disadvantaged students and that propose to serve students attending SIG and SIG-eligible schools.

⁷ P.L. No. 113-76 (2014).



Charter Policy Snapshot

Under this proposal (outlined below and summarized in Table 3), students attending a SIG school, a SIG-eligible school, or a closed SIG school would receive priority enrollment in the new public charter schools, and the public charter schools would be obligated to serve those students as they would under the restart model.

States should be able to develop their own school turnaround models that include one or more of the following:

- 1. Award SIG funds directly to proven charter school operators or networks that will serve students currently attending persistently low-achieving schools.**
Rather than convert a single low-achieving school into one public charter school, as required under the restart model, a SEA or LEA could partner with proven charter school operators to open multiple public charter schools to serve students attending a SIG-eligible school (or a closed SIG school) as part of a LEA or a citywide improvement strategy. Funds would be awarded to operators, CMOs, or EMOs that have a **proven track record of success** in improving the academic achievement of disadvantaged students and that propose to serve students currently attending SIG-eligible schools.
- 2. Use SIG funds to open new public charter schools in extraordinary authority districts (EADs).** Under current rules, EADs such as Tennessee's Achievement School District can leverage SIG for public charter school conversions but not to open new schools to serve students attending SIG-eligible schools.
- 3. Use funds to expand a high-quality school** to serve students attending SIG-eligible schools that have been closed.
- 4. Create incentives to attract high-performing networks to open new schools** in LEAs with significant numbers of students attending SIG-eligible schools or to restart low-performing schools.



Charter Policy Snapshot

5. Prioritize LEA applications that propose restarts or closures. Under current regulations, all models, including the least-effective transformation model, are treated the same.

6. Identify and develop new school leaders for SIG-eligible schools, including SIG-funded public charter school restarts and new charter schools, through grants to LEAs and nonprofits.

Table 3: Summary of National Alliance for Public Charter Schools Proposal for the State-Determined School Improvement Model

Strategy	Current SIG Program	Proposed SIG Model
Convert (restart) an existing persistently low-achieving school into a public charter school that serves the students who had been attending the persistently low-achieving school.	Yes	Yes
Prioritize closure or restart applications for subgrants.	While not explicit, appears to be permitted in SIG guidance (See I-9) ⁸	Yes
Award SIG funds directly to proven public charter school operators, CMOs, or EMOs to open new schools to serve students currently attending SIG-eligible schools.	No	Yes
Award expansion grants to high-quality schools to expand their capacity to serve students attending SIG-eligible schools.	No	Yes
Attract high-performing networks to open schools in an LEA with significant numbers of students attending SIG-eligible schools or to restart low-performing schools.	No	Yes
Award grants to LEAs or nonprofits to attract and develop high-potential school leaders through a leadership development or incubation experience.	No	Yes

⁸ U.S. Department of Education (March 2012). "Guidance on Fiscal Year 2010 School Improvement Grants."



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Conclusion

The ESEA statute makes it clear that the primary purpose of Title I is “to ensure that all children have a fair and equal, and significant opportunity to obtain a high quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and state academic assessments.” The current SIG program, however, awards significant funds to the same LEAs that have been administering failing schools. It is time to let states that might want to take a different approach, one that reaches more students in a shorter time frame, do just that.

While SIG, under current regulations, is focused on improving specific schools, we believe that it should also provide students with access to high-quality schools, especially if they are attending persistently low-achieving schools that are not receiving funds under SIG. Each year that a child spends in our lowest-performing schools is one year too many. After more than 13 years of required interventions under No Child Left Behind and SIG, too many children are still trapped in these schools. Supporting public charter school startups and encouraging restarts in the context of the SIG program could create quality schools for these students more quickly and more effectively than existing SIG models. Giving states the opportunity to design their own models, as we have proposed, has the potential to create more high-quality, cost-effective options for a greater number of students in the shortest possible timeframe.